

Message Text

LIMITED OFFICIAL USE

PAGE 01 ANKARA 06506 211426Z

50

ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 OIC-02 SP-02 AID-05 EB-07 NSC-05

CIEP-01 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 PA-01 PRS-01 L-03 H-02 IO-10 EA-07 FEAE-00

FPC-01 INT-05 /112 W

----- 015783

R 211326Z AUG 75

FM AMEMBASSY ANKARA

TO SECSTATE WASHDC 457

INFO AMEMBASSY LONDON

USEC BRUSSELS 1030

USMISSION OECD PARIS

AMCONSUL ADANA

AMCONSUL ISTANBUL

AMCONSUL IZMIR

LIMITED OFFICIAL USE ANKARA 6506

E.O. 11652: N/A

TAGS: EFIN, EAID, TU

SUBJECT: ANNUAL IBRD/IMF MEETING

REF: (A) STATE 195212; (B) ANKARA 6386; (C) ANKARA 6399;

(D) ANKARA 6167

SUMMARY: EMBOFF ON AUGUST 20 HAD LENGTHY DISCUSSION WITH UNDERSECRETARY OF FINANCE, SABAHATTIN ALPAT, CONCERNING BILATERAL ISSUES BETWEEN TURKEY AND IBRD/IMF, THE VISIT OF IMF'S STURC, AND FINANCING FOR TURKISH DEVELOPMENT. DISCUSSION CENTERED MOSTLY ON TURKISH PREPARATION FOR SEPTEMBER MEETINGS OF BOARDS OF GOVERNORS OF IBRD AND IMF. END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ANKARA 06506 211426Z

1. APPROPRIATE AGENCIES OF TURKISH GOVERNMENT HAVE FINALLY

MET TO DISCUSS TURKEY'S POSITION AND PROBLEMS FOR CONSIDERATION AT IBRD/IMF MEETINGS; PRIME MINISTER DEMIREL, ALPAT SAID, WAS DIRECTLY INVOLVED IN MAJOR ISSUES AS WELL. TURKEY HAD INVITED, ALPAT ADDED, ERNEST STURC, DIRECTOR OF IMF'S EXCHANGE AND TRADE RELATIONS DEPARTMENT TO COME TO ANKARA (REFTEL A) TO DISCUSS TURKEY'S PROBLEMS AND INTERESTS: GOLD RESERVES, SPECIAL DRAWING RIGHTS (SDR'S), AND TURKEY'S SHARE OF THE LDC PORTION OF SDR BEING REALLOCATED FROM COMMUNIST CHINA, AS WELL AS BALANCE TRADE AND PAYMENTS PROBLEMS.

2. STURC MET WITH TREASURY DEPARTMENT OF FINANCE MINISTRY AND CENTRAL BANK OFFICIALS DURING MORNING OF AUGUST 21 AND WITH FINANCE MINISTER DURING SAME AFTERNOON. STURC TOLD EMBOFF HE WOULD HAVE DINNER WITH MINISTER SAME EVENING AND EXPECTED PRIME MINISTER DEMIREL TO BE PRESENT. (STURC SAID HE WOULD AVOID BILATERAL US-TURKISH ISSUES.) HE IS TO COME BY THE EMBASSY ON AUGUST 22 FOR A DEBRIEFING CONCERNING HIS DISCUSSIONS WITH TURKISH OFFICIALS.

3. WITH RESPECT TO IBRD, ALPAT CONFIRMED THAT IBRD IS BALKING ON ITS PLEDGE FOR AFSIN-ELBISTAN THERMAL POWER PROJECT (REFTEL B) BECAUSE OF PRESENT TURKISH GOVERNMENT'S RELUCTANCE THUS FAR TO INCREASE WHOLESALE ELECTRICITY RATES AS HAD BEEN AGREED BY PREVIOUS GOVERNMENTS. ALPAT DISCLOSED THAT AT MEETING OF TURKISH HIGH PLANNING COUNCIL ABOUT THREE WEEKS AGO, PRESENT GOVERNMENT HAD BEEN AUTHORIZED TO INCREASE THESE RATES, BUT THAT THIS WAS CONTRARY TO DEMIREL'S POLICY; DEMIREL DESIRES TO HOLD PRICES DOWN AND CURB HIGH RATE OF INFLATION. ALPAT SAID GOVERNMENT WAS SEARCHING FOR ALTERNATIVES TO SATISFY IBRD, AND THAT PRIME MINISTER, FINANCE MINISTER ERGENEKON, AND ALPAT WOULD MEET PRIOR TO DEPARTURE OF TURKISH DELEGATION TO WASHINGTON ON THIS VERY SUBJECT; RAISING RATES COULD THUS BE FALLBACK POSITION IF OTHER ALTERNATIVES ARE DETERMINED TOO UNSUITABLE BY IBRD.

4. ALPAT ALSO CONFIRMED THAT VISIT OF FIRST NATIONAL CITY BANK (FNCB) VICE PRESIDENT COSTANZO (REFTEL C) FROM TURKISH POINT OF VIEW HAD BEEN SUCCESSFUL. IN WASHINGTON, ALPAT SAID, TURKISH GOVERNMENT OFFICIALS AT ABOVE MEETINGS WERE EXPECTING SOME BENEFICIAL ASSISTANCE FROM FNCB ABOUT BEST MEANS OF OBTAINING FINANCING FROM PRIVATE BANKING CIRCLES FOR PROJECTS LOANS UNDER LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ANKARA 06506 211426Z

TURKEY'S DEVELOPMENT PROGRAM. (STATE PLANNING OFFICE HAS RECENTLY UPDATED ITS PUBLICATION ON TURKISH PROJECTS OPEN FOR FOREIGN INVESTMENT.) HE STRESSED THAT TURKEY WAS INTERESTED IN PROJECT LOANS AND HAD DISCUSSED THIS MATTER WITH BANKS AND BANKERS FROM SAUDI ARABIA, SWITZERLAND, UNITED KINGDOM AND U.S. HE ADDED THAT BEST RATE MENTIONED THUS FAR WAS 8.2 PERCENT (LONDON INTERBANK) AND 1.75 PERCENT ON TOP OF THAT, PLUS, PERHAPS, SOME FRONT-ENDED EXPENSE AND OTHER COSTS. TURKEY WAS

LOOKING FOR MEDIUM TO LONGER TERM LOANS, E.G., FROM 3-5 YEARS AND AS MUCH AS 7-10 YEARS; BANKERS REPORTEDLY EXPRESSED SOME INTEREST BUT THEN WANTED ADDITIONAL GUARANTEES.

5. ALONG SAME LINES, ALPAT EXPRESSED PLEASURE WITH CONVERTIBLE TURKISH LIRA ACCOUNTS ACTIVITY SINCE LAST SPRING. THESE, HE CONFIRMED, NOW AMOUNTED TO SOME \$700 MILLION AND HE ADDED THAT HE EXPECTED TOTAL IN THESE SPECIAL ACCOUNTS TO LEVEL OFF AT ABOUT \$1.2 BILLION BY FIRST OF YEAR. (FNCB HAS ABOUT \$47.6 MILLION OF PRESENT TOTAL.)

6. ALPAT GAVE EMBOFF REVISED TURKISH DELEGATION LIST TO IBRD/ IMF MEETINGS. ONLY CHANGES (REFTEL D) ARE: E. ISHAN OZOL (CURRENTLY ON SICK LEAVE) IS BEING REPLACED BY ALAETTIN YORUK, GENERAL DIRECTOR OF THE TREASURY, MINISTRY OF FINANCE AND SUBORDINATE TO GUVEN; ISMAIL SENGUN, ADDITION TO DELEGATION AND ASSISTANT SENIOR ADVISER OF THE CENTRAL BANK AND ALSO YASAR KAKIOGLU, CHEF DE CABINET (CHIEF STAFF ASSISTANT) TO FINANCE MINISTER ERGENEKON

MRS. ERGENEKON WILL ACCOMPANY. FINALLY, ALPAT GAVE IMPRESSION TURKISH DELEGATION WOULD NOT REPEAT NOT REQUIRE PRIVATE BILATERAL TALKS WITH US DELEGATION. HE CONCLUDED THAT IF ANYTHING SHOULD DEVELOP PRIOR TO DEPARTURE OF DELEGATION ON AUGUST 28 HE WOULD ADVISE EMBOFF, OR MAKE REQUEST DIRECTLY TO US DELEGATION IN WASHINGTON.
MACOMBER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC DISCUSSIONS, DEVELOPMENT PROGRAMS, BANK LOANS, ELECTRIC POWER PLANTS, RELATIONS WITH INTERNATIONAL ORGS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: RowellE0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ANKARA06506
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750289-0848
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750829/aaaaayti.tel
Line Count: 141
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 195212, 75 ANKARA 6386, 75 ANKARA 6399
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 18 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 APR 2003 by CunninFX>; APPROVED <07 OCT 2003 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ANNUAL IBRD/IMF MEETING
TAGS: EFIN, EAID, PORG, TU, IBRD, IMF, (ALPAT, SABAHATTIN)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006